



INTERNATIONAL TRADE COMMISSION

19 CFR Part 208

Implementing Rules for the United States-Mexico-Canada Agreement Implementation Act

AGENCY: United States International Trade Commission.

ACTION: Final rule.

SUMMARY: The United States International Trade Commission (Commission) is adopting as a final rule the interim rule published on July 10, 2020, with one amendment. The rule concerns the practices and procedures for investigations of United States-Mexico cross-border long-haul trucking services (cross-border long-haul trucking services) provided for in the United States-Mexico-Canada Agreement (USMCA) Implementation Act (the Act).

DATES: Effective [Insert date 30 days after date of publication in the Federal Register].

FOR FURTHER INFORMATION CONTACT: Lisa R. Barton, Secretary to the Commission, United States International Trade Commission, telephone (202) 205-2000, or William Gearhart, Office of the General Counsel, United States International Trade Commission, telephone (202) 205-3091. Hearing-impaired individuals may obtain information on this matter by contacting the Commission's TDD terminal at 202-205-1810. General information concerning the Commission may also be obtained by accessing its website at <https://www.usitc.gov>.

SUPPLEMENTARY INFORMATION: The preamble below is designed to assist readers in understanding the final rule. This preamble provides background information and a regulatory analysis of the rule.

The final rule and amendment are being promulgated in accordance with the Administrative Procedure Act (5 U.S.C. 553) (APA), and will be codified in 19 CFR part 208.

Background

Section 335 of the Tariff Act of 1930 (19 U.S.C. 1335) (Tariff Act) authorizes the Commission to adopt such reasonable procedures, rules, and regulations as it deems necessary to carry out its functions and duties. In addition, sections 103(b), 322(f), and 324(e) of the Act (19 U.S.C. 4513(b), 4572(f), and 4574(e), respectively) authorize the Commission to prescribe implementing regulations necessary or appropriate to carry out actions required or authorized by the Act.

The Commission is adopting as a final rule, with one clarifying change, the interim rule published in the *Federal Register* on July 10, 2020 (85 FR 41355), that governs rules of procedure for investigations of cross-border long-haul trucking services provided for in Subtitle C of Title III of the Act. Section 322 of the Act requires that the Commission undertake an investigation, upon filing of a petition or request, and make a determination as to whether a grant of authority has caused material harm or threatens material harm to U.S. suppliers of cross-border long-haul trucking services, and if affirmative, to recommend a remedy to the President. Additionally, Section 324 of the Act requires that the Commission, at the request of the President or an interested party, undertake an investigation and make a determination as to whether an extension of relief granted by the President is necessary to prevent or remedy material harm. The Act specifies certain procedures for such investigations, including who may file a petition or request such investigations, the holding of hearings and publication of notices regarding investigations, the timelines for such investigations and determinations, and the issuance of reports that include the determination, an explanation thereof, and any recommendation for relief.

The one minor change to the interim rule is to § 208.5(e)(1)(vi), which describes additional information and data to be provided in a petition for an investigation of long-haul cross-border trucking services. Paragraph (e)(1)(vi) of this section in the interim rule required that such

petitions include “pricing information,” and the Commission now amends this to “freight rates” to clarify the type of pricing information necessary in petitions. The Commission makes no other amendments to the interim rule that it now adopts as final.

In its document announcing the interim rule at part 208 of the Commission’s regulations, the Commission invited members of the public to file written comments on the rule no later than 30 days after the day of publication; in this case, by August 10, 2020. The Commission received two sets of written comments from interested parties: one filed jointly by the Owner-Operator Independent Drivers Association and the International Brotherhood of Teamsters (OOIDA/Teamsters), and one filed by the Government of Mexico (Mexico). The Commission has carefully considered all comments that it received, and it provides responses to these comments in an analysis provided below. The Commission appreciates the time and effort of the commentators in preparing their submissions.

Procedure for Adopting the Amendment

The Commission ordinarily promulgates amendments to the Code of Federal Regulations in accordance with the notice-and-comment rulemaking procedure in section 553 of the APA (5 U.S.C. 553). That procedure entails publication of proposed rulemaking in the Federal Register that solicits public comments on the proposed amendments, consideration by the Commission of public comments on the contents of the amendments, and publication of the final amendments at least 30 days prior to their effective date.

In this instance, however, the Commission is amending its interim rule at 19 CFR part 208 on a final basis, effective 30 days after publication of this document. The Commission’s authority to adopt final amendments without following all steps listed in section 553 of the APA is derived from section 335 of the Tariff Act (19 U.S.C. 1335), sections 103(b) and 322(f) of the Act (19 U.S.C. 4513(b) and 4572(f)), and section 553 of the APA (5 U.S.C. 553).

Section 553(b) of the APA allows an agency to dispense with publication of a notice of proposed rulemaking when the following circumstances exist: (1) the rules in question are interpretive rules, general statements of policy, or rules of agency organization, procedure or practice; or (2) the agency for good cause finds that notice and public comment on the rules are impracticable, unnecessary, or contrary to the public interest, and the agency incorporates that finding and the reasons therefor into the rules adopted by the agency.

In this instance, the Commission has determined that the requisite circumstances exist for dispensing with the notice and comment procedure that ordinarily precedes the amendment of Commission rules. For purposes of invoking the section 553(b)(3)(A) exemption from publishing a notice of proposed rulemaking that solicits public comment, the Commission finds that the amendment to part 208 is a technical clarification of an agency rule of procedure and practice. Moreover, the Commission finds under section 553(b)(3)(B) that prior notice and opportunity for comment are unnecessary. The amendment clarifies an aspect of the interim rule, the type of pricing data to be provided in petitions on long-haul cross-border trucking services, but it does not substantively alter those procedures already provided for in the interim rule. Given the lack of any substantive change and that parties have already been provided an opportunity to comment on the interim rule, we find that public comment on the amendment is unnecessary.

Regulatory Analysis of Proposed Amendments to the Commission's Rules.

The Commission has determined that this final rule and amendment do not meet the criteria described in section 3(f) of Executive Order 12866 (58 FR 51735, October 4, 1993) and thus do not constitute a “significant regulatory action” for purposes of the Executive order.

The Regulatory Flexibility Act (5 U.S.C. 601 et seq.) is inapplicable to this rulemaking because it is not one for which a notice of proposed rulemaking is required under 5 U.S.C. 553(b) or any

other statute.

The final rule and amendment do not contain federalism implications warranting the preparation of a federalism summary impact statement pursuant to Executive Order 13132 (64 FR 43255, Aug. 4, 1999).

No actions are necessary under title II of the Unfunded Mandates Reform Act of 1995, Pub. L. 104-4 (2 U.S.C. 1531-1538) because the final rule and amendment will not result in the expenditure by state, local, and tribal governments, in the aggregate, or by the private sector, of \$100,000,000 or more in any one year (adjusted annually for inflation), and will not significantly or uniquely affect small governments, as defined in 5 U.S.C. 601(5).

This final rule and amendment are not “major rules” as defined by section 251 of the Small Business Regulatory Enforcement Fairness Act of 1996 (5 U.S.C. 801 et seq.). Moreover, they are exempt from the reporting requirements of that Act because they contain rules of agency organization, procedure, or practice that do not substantially affect the rights or obligations of non-agency parties.

Overview of the Amendment to the Regulations

The final regulation contains one change from the interim rule. The Commission has determined to amend § 208.5(e)(1)(vi), which describes additional information to be provided in a petition for long-haul cross-border trucking services. The interim rule required that a petition include “pricing information” on long-haul cross-border trucking services. After further consideration, the Commission has determined to change this language to “freight rates” so as to specify the precise pricing information relevant to long-haul cross-border trucking services.

Section-by-Section Explanation of the Amendment, Comments Received, and Commission Response

Part 208—Investigations of United States-Mexico Cross-Border Long-Haul Trucking Services

Subpart B—Investigations relating to Material Harm or Threat of Material Harm

Section 208.5

Section 208.5 lists the information required in a petition for cross-border long-haul trucking services. The Commission amends § 208.5(e)(1)(vi) to clarify that freight rates are the type of pricing information to be included in petitions.

Comments

In their comments, OOIDA/Teamsters encouraged the Commission to adopt its interim rule as a final rule. They noted that their constituent members are concerned by the potential economic and safety impact of Mexican-domiciled carriers operating in the United States, and they expressed the view that investigations by the Commission will provide useful information as well as possible remedies for such harmful effects. OOIDA/Teamsters further noted that allowing a sub-market to be defined in a variety of ways is necessary given the large and diverse nature of the U.S. trucking industry and the difficulty for its members in obtaining all relevant information for the entirety of the industry. OOIDA/Teamsters also agreed with the Commission's decision to dispense with notice-and-comment procedures in adopting the interim rules given the expediency necessary to implement procedures for investigations of cross-border long-haul trucking services.

In its comments, Mexico expressed its belief that certain provisions of the interim rule are inconsistent with the United States' obligations under the USMCA. Specifically, Mexico argued that the definition of "material harm" at § 208.2(j) of the interim rule is inconsistent with the USMCA in two respects. First, Mexico expressed its view that this definition differs from that provided in USMCA, Annex II, footnote 1 by adding a provision for a significant loss of market

share for a “relevant sub-market.” Second, Mexico objected to the interim rule’s definition of injury to the relevant U.S. industry as being to “cross-border long-haul trucking services” rather than merely “long-haul trucking services.” In both instances, Mexico believes that these differences lower the threshold for material injury in a manner inconsistent with the USMCA.

Commission Response

The Commission has considered the comments of OOIDA/Teamsters that support the interim rules as published, and that OOIDA/Teamsters do not seek or request amendments to the interim rules.

Addressing Mexico’s comments, the Commission notes that Mexico’s objections are directed at language that mirrors the USMCA’s implementing statute. While Mexico alleges that the interim rule’s definition for material harm is inconsistent with the USMCA, the interim rule implements provisions of the Act rather than the USMCA, and the Commission adopts its definition of material harm directly from the Act. Section 321(9) of the Act defines material harm as “a significant loss in the share of the United States market or relevant sub-market for cross-border long-haul trucking services held by persons of the United States,” which is identical to the definition at § 208.2(j) of the interim rule. Similarly, section 321(5) of the Act also defines the relevant U.S. industry as “cross-border long-haul trucking services.” Because these definitions track and are consistent with the Act, we adopt the definition of material harm from the interim rule as a final rule without change.

List of Subjects in 19 CFR Part 208

Administrative practice and procedure, Trade agreements.

For the reasons stated in the preamble, the United States International Trade Commission adopts as final rule the interim rule adding 19 CFR part 208 that was published at 85 FR 41355, on July

10, 2020, with the following change:

**PART 208 – INVESTIGATIONS OF UNITED STATES-MEXICO CROSS-BORDER
LONG-HAUL TRUCKING SERVICES**

1. The authority citation for part 208 continues to read as follows:

Authority: 19 U.S.C. 4574(e).

2. Amend § 208.5 by revising paragraph (e)(i)(vi) to read as follows:

§ 208.5 Contents of petition.

* * * * *

(e) * * *

(1) * * *

(vi) Any other relevant information, including freight rates and any evidence of cross-border long-haul trucking services lost to persons of Mexico in the market as a whole or claimed specific sub-market.

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By order of the Commission.

Lisa Barton,
Secretary to the Commission.

Issued: April 2, 2021.